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OF COUNSEL
URBAN A. LESTER

August 30, 2000

RECORDATION NO. 23066 FILED

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

AUG 30 '00 3-41 PM
TS
SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Lease Agreement, dated August 21, 2000, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor:	Bank Austria Creditanstalt Holdings Corporation 2 Greenwich Plaza Greenwich, CT 06830
Lessee:	Alabama & Gulf Coast Railway, LLC P.O. Box 339 Monroeville, AL 36431

A description of the railroad equipment covered by the enclosed document is:

185 railcars within the series AGR 143200 - AGR 143390

Mr. Vernon A. Williams
August 30, 2000
Page Two

A short summary of the document to appear in the index follows:

Lease Agreement between Bank Austria Creditanstalt Holdings Corporation,
Lessor, and Alabama & Gulf Coast Railway, LLC covering 185 railcars within the
series AGR 143200 - AGR 143390.

Also enclosed is a check in the amount of \$26.00 payable to the order of the
Surface Transportation Board covering the required recordation fee and cross indexing fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. Alvord", with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/anm
Enclosures

AUG 30 '00

3-41 PM

SURFACE TRANSPORTATION BOARD

LEASE AGREEMENT

This Agreement ("**Agreement**") is made as of this ^{August} ~~21st~~ day of ~~July~~, 2000 by and between BANK AUSTRIA CREDITANSTALT HOLDINGS CORPORATION, a Delaware corporation, located at 2 Greenwich Plaza, Greenwich, Connecticut 06830, as Lessor, or its direct or indirect assignee ("**Lessor**"), and ALABAMA & GULF COAST RAILWAY LLC, a Delaware limited liability company, as lessee ("**Lessee**").

1. Scope of Agreement

Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor, 185 fifty foot, seventy ton cushioned Plate C railroad boxcars in car series AGR 143200-143390 (not including 143228, 143261, 143266, 143309, 143345 and 143362), upon the terms and conditions set forth herein. "**Cars**" shall mean all railroad cars subject to this Agreement and "**Car**" shall mean an individual item of railroad car.

2. Term

(a) Term. The term of this Agreement ("**Term**") with respect to each Car shall commence on the date delivered to Lessee, and except as otherwise provided herein, shall terminate on the earlier of (i) with respect to each Car leased hereunder, the date Lessor is notified of the loss or destruction of such Car or, (ii) with respect to all Cars leased hereunder, on July 5, 2005; provided, however, that without limiting any other rights Lessor may have against Lessee, if Lessee is responsible for loss or destruction of a Car under Article 7 (Responsibility for Lost, Destroyed or Damaged Cars), this Agreement with respect to such Car shall continue until Lessee compensates Lessor as stipulated in the same Article 7.

(b) Notwithstanding the expiration or termination of this Agreement, the obligations of the Lessee hereunder shall continue in effect with respect to each Car until each such Car is returned to the possession of Lessor in accordance with Article 12 (Return of Cars) or settlement is made for such Car in accordance with Article 7 (Responsibility for Lost, Destroyed or Damaged Cars).

3. Acceptance of Cars

Each Car shall be deemed accepted by Lessee unless Lessor is otherwise notified in writing within fourteen (14) days of the delivery of such Car to Lessee.

4. Intentionally left blank5. Priority Loading

If any Car is on the line of Lessee in usable condition, Lessee shall load such Car prior to loading any similar item of equipment leased by or assigned to Lessee from other parties (other than any party which prohibits such priority under a currently existing agreement with Lessee), purchased by Lessee, or received in interchange; provided, however, that this shall in no event prevent or prohibit Lessee from fulfilling its obligations to provide transportation and facilities upon reasonable request therefore to shippers on Lessee's lines. Lessee shall use its best efforts to maximize the off-line utilization of Cars.

6. Record Keeping and Car Hire Accounting

(a) Record Keeping. Lessee or its agent shall prepare and file and is hereby authorized to and shall, or shall cause its agent to, receive and maintain all car hire, maintenance and other records and perform all necessary and customary registration and record keeping functions ("**Record Keeping**") relating to the use of Cars. This shall include but not limited to: (i) registration of the Cars in the Official Railway Equipment Register and the Universal Machine Language Cars Register ("**UMLER**") placing ownership marks provided by Lessor in the UMLER ownership field; (ii) performance of car hire reconciliation; (iii) collection and receipt of revenues (including car hire); (iv) compilation of records pertaining to maintenance, repair and billing in accordance with the Association of American Railroads ("**AAR**") rules for interchange ("**Interchange Rules**") and AAR format; and (iv) payment of Running Repair bills received in accordance with the AAR Interchange Rules. "**Running Repairs**" shall mean minimum repairs of the type required by AAR or FRA to keep the Cars in interchange service.

(b) Reporting and Payment. Lessee or its agent will provide monthly reports on revenues earned and collected and will remit via wire transfer all payments due to Lessor hereunder to an account designated by Lessor. Lessee or its agent will also provide monthly reports of repairs performed and paid, and will forward an invoice for reimbursement to Lessor or Lessor's agent. Reports will be provided in electronic format if available and requested by Lessor or Lessor's agent.

(c) Interchange and Movement Records. Lessee hereby authorizes Lessor or its agent, on behalf of Lessee to subscribe to Lessee's TRAIN and other Car Location Movement Records ("**CLM's**") from the AAR and agrees to execute any documents necessary to implement such authorization and provide copies of such documents to Lessor and/or Lessor's agent.

(d) Car Hire Payables. Lessee shall transmit or cause to be transmitted to AAR Lessee's car hire payable records in a format acceptable to AAR so that such records will be included in the monthly AAR Car Hire Exchange Tape. Upon Lessor's reasonable request, Lessee shall promptly provide Lessor or Lessor's agent with records of Lessee's car hire payables.

(e) Expenses. The reasonable expenses of Lessee in complying with its obligations under Sub-Articles 6(a) through 6(c) above shall be borne by Lessor.

7. Responsibility for Lost, Destroyed or Damaged Cars

(a) Notice of Event of Loss. In the event any Car shall be lost, stolen, destroyed, damaged or permanently rendered unfit for use (hereinafter referred to as an "**Event of Loss**"), Lessee shall promptly (but in no event later than within seven (7) days from the date Lessee receives notice of an Event of Loss) notify Lessor as to the circumstances and time of such event.

(b) Event of Loss Not in Lessee's Possession. If any Event of Loss occurs with regard to any Car while not in the possession, custody or control of Lessee or Lessee's agent or customer and such Event of Loss of a Car has been reported in accordance with the Interchange Rules, such Car will be removed from this Agreement on the date car hire ceases as set forth in the rules of the AAR's Code of Car Hire. Lessor shall be entitled to all casualty proceeds from the Car which, if paid to Lessee, shall within two days of receipt be remitted to Lessor or, at Lessor's option, its agent.

(c) Event of Loss While in Lessee's Possession. If any Event of Loss occurs with regard to any Car while in the possession, custody or control of Lessee or Lessee's agent or customer, Lessee shall compensate Lessor for such Event of Loss in the same manner as set forth in the Rule 107 of Interchange Rules had the Car been a foreign car, which payments shall be made on the earlier of (i) thirty (30) days of receipt of an invoice from Lessor or Lessor's agent and (ii) ninety (90) days from the date of such Event of Loss. Such Car shall remain subject to the terms of this Agreement, including rental terms, until such payment is made to Lessor or, at Lessor's option, its agent.

(d) Replacement of Car. Lessor may, at its expense, elect to replace any Car that has suffered an Event of Loss with similar equipment (such item of equipment a "**Replacement Car**") by giving notice of such election to Lessee.

(e) Cooperation to Claim. Lessor and Lessee agree to cooperate with and to assist each other in any manner reasonably requested to establish and pursue proper claims against parties responsible for Event of Loss to the Cars; provided, however, that this shall not affect their respective obligations under this Article.

8. Maintenance and Repair

(a) Lessor Responsibility and Exceptions. Lessor shall at its expense perform, or cause to be performed, all repairs, maintenance, replacement of parts and mandated modifications ("**Maintenance**") as are needed to keep the Cars in good working order and repair, suitable for loading and interchange and in accordance with the Interchange Rules, the Federal Railroad Administration ("**FRA**") rules and the rules of any other applicable regulatory body. However, such Maintenance shall be at Lessee's expense if it was occasioned by (i) damage (which shall not include ordinary wear) while in Lessee's or Lessee's customer's or agent's possession, custody or control, (ii) damage

occurring from use other than permitted under this Agreement, which use was authorized by Lessee, or (iii) damage for which Lessee would have been responsible under the Interchange Rules had the Car been a foreign car (including damage not noted at time of interchange to Lessee). Lessee shall promptly notify Lessor of any Maintenance required, providing the time, place and nature of any accident or bad order condition.

(b) Running Repairs by Lessee. To facilitate continued immediate use of any Car, Lessee may, while the Cars are in the possession, custody or control of Lessee, make Running Repairs at Lessor's cost. Lessor will pay Lessee at the rate of \$45 per hour using standard AAR guidelines for hours for any such repair. Materials costs will be borne by Lessor in an amount equal to Lessee's cost for such materials plus 15%, which amounts shall be supported by appropriate documentation provided by Lessee as requested by Lessor or its agent.

(c) Lessee's Reimbursement. Lessee shall, within 30 days of notification that Lessor has paid a bill for maintenance or repair for which Lessee is responsible as set forth in Sub-Article 8(a), reimburse Lessor for such payment.

(d) Accessions. Lessee shall not, without the prior written consent of Lessor, affix or install any accessory, part, equipment or device on any Car. All additions, repairs, parts, supplies, accessories, equipment and devices ("**Accessions**") furnished, attached or affixed to any Car shall there upon become the property of Lessor, unless otherwise agreed between the parties.

(e) Mandatory Modifications. Any modification, alteration or addition to the Cars required by FRA or any other governmental agency or non-governmental organization having jurisdiction over operation, safety or use of railroad equipment, shall be made by Lessor, or by Lessee if designated by Lessor, at Lessor's expense; provided, however, that if the cost of such required modification, alteration or addition exceeds \$1,000 per Car, Lessor shall have the option to terminate this Agreement as to such Cars in lieu of making such modification, alteration or addition.

(f) Costs of Cleaning. Lessor shall pay Lessee a \$3 cleaning cost in each instance ^{where} ~~were~~ a Car returns to the loading station empty and requires cleaning; provided that Lessor shall not be required to pay any amounts to Lessee for cleaning costs exceeding, in the aggregate, \$558 in any month.

9. Rent

(a) Minimum Rent. Cars will be carhire and mileage free while on Lessee's lines. Lessor will retain all off-line hourly revenue collected up to \$337 per car per month in the aggregate (the "**Minimum Rent**"). Lessor will retain 100% of off-line mileage collected.

(b) Revenue Sharing If off-line utilization revenue for a Car exceeds the Minimum Rent in any month during the Term, Lessor will pay to Lessee 50% of all hourly revenue collected with respect to such Car in excess of the Minimum Rent. Estimated payments will be made for each calendar quarter in which revenues were received within forty-five days after the end of such calendar quarter, and reconciliation will be done annually within forty-five days after the end of the calendar year in which revenues were received.

(c) Pull Point Lessor may terminate this Agreement with respect to all or a part of the Cars if the average off-line utilization revenue for all Cars for a calendar month is less than the aggregate Minimum Rent for three consecutive months.

(d) Deprescription. Lessee shall not deprescribe, take, or fail to take any action, which may change car hire rates for the Cars, including without limitation, modifying any information in UMLER, or enter into any other agreement with any party that affects the revenues earned by any Cars, in each case without Lessor's prior written consent. Lessor shall have absolute authority in its sole discretion to negotiate and enter into or refuse to enter into any bilateral agreement with any railroad with respect to storage charges, car hire rates covering the Cars, reloading agreement or any other matter affecting the amount of revenue which the Cars are able to earn.

- (i) Should Lessor, in its sole discretion, choose to deprescribe the Cars, Lessor may authorize Lessee to enter into negotiations to establish a new rate respecting such deprescribed cars.
- (ii) In the event prescribed car hire rates for the Cars are no longer available or in effect, the parties shall negotiate in good faith to amend the terms of this Agreement.

(e) Offset. Lessor may retain any amounts owed to or collected on behalf of Lessee to offset any sums owed to Lessor by Lessee.

10. Use

(a) Use; Compliance. This agreement and Lessee's rights are subject and subordinate to the rights and remedies of any lender, Lessor or other party which finances the Cars ("**Financing Party**"). Lessee shall make its best effort to cause the Cars to be used (i) solely in the use, service and manner for which the Cars were designed; (ii) only within the continental limits of the United States of America or temporary or incidental use in Canada and Mexico and (iii) in compliance with all applicable laws, regulations and AAR Rules.

(b) Marks. At the time of Delivery of the Cars by Lessor to Lessee, the Cars will be plainly marked on each side with the identification marks selected by Lessee and

reasonably acceptable to Lessor. Further, at Lessor's election, the Cars may be marked to indicate the rights of Lessor, or an assignee, mortgagee, trustee, pledge or security holder of Lessor, or Financing Party. Lessee shall not place, nor permit to be placed, any lettering or marking of any kind upon the Cars without the Lessor's prior written consent.

(c) Lessee Liens. Lessee shall not, with regard to the Cars, or any leasehold or other interest therein, including the revenues thereon, or with regard to this Agreement, directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim arising by, through, or under it, except those created for the benefit of Lessor or any Financing Party. Lessee shall notify Lessor in writing within five (5) days after any attachment, tax lien or other judicial process shall be attached to any Car. Lessee shall promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance, security interest, or claim if the same shall arise at any time.

(d) Storage. In the event that any Car is not in use while subject to this Agreement, Lessee shall be responsible for storing such Car at its expense in a secure location.

11. Insurance

During the Term, Lessee shall keep or cause to be kept with insurance companies acceptable to Lessor with respect to the Cars while on Lessee's lines or under Lessee's custody or control, (1) comprehensive general liability insurance, including bodily injury, death, environmental restoration, and property damage in a combined single limit of not less than \$5,000,000 per occurrence and \$10,000,000 combined annual aggregate limit and (2) all risk property damage insurance not less than the Depreciated Value ("DV") from time to time as provided and calculated in the Interchange Rules for the Cars. Said policies shall name Lessor and any Financing Party designated by Lessor as additional insureds and, as to property insurance, sole loss payees, and shall provide that they shall receive thirty (30) days prior written notice of any material changes in coverage or cancellation. Lessee shall provide to Lessor certificates of insurance to evidence Lessee's compliance upon request from Lessor. Lessee policies shall be primary to any other insurance carried by or for the additional insureds and Lessee shall cause its insurer specifically to waive subrogation, claim and recovery with respect to such other insurance. Any and all deductible amounts in Lessee's policies shall be paid by Lessee in any Event of Loss.

12. Return of Cars

(a) Return Place and Condition Upon Return. At the end of the designated Term, Lessee shall cause each Car to be delivered to Lessor at the point designated on Lessee's lines or other mutually agreeable location ("**Return Location**") (i) free of Rule 95 damage and (ii) free from all accumulations or deposits from commodities transported in or on it while in the service of Lessee. Lessee shall bear all transaction costs incurred in moving any Car to the Return Location.

(b) Late Return Penalty. If Lessor requests in writing the return of any Car that is on Lessee's lines and Lessee fails to cause such Car to be returned, Lessee shall compensate on a monthly basis an amount equal to the amount which would be earned by such Car if it were off Lessee's lines 100% of the time and earning hourly and mileage revenues at the prescribed rates. For the purposes of mileage revenue, the most recent three month aggregate average from such request shall be used.

(c) Remarking. Prior to return of the Cars, Lessee shall be responsible, at Lessor's expense, subject to receipt of appropriate supporting documentation for such expenses, as requested by Lessor or Lessor's agent, for the remarking. Remarking shall include: (i) removal of existing reporting marks, automatic equipment identification tags ("AEI") and (ii) application of new reporting marks and AEI. Lessee shall use its reasonable efforts to insure that the costs associated with remarking each Car are reasonable.

(d) Storage Upon Termination. Lessee shall, upon request of Lessor, provide free storage of any Car delivered to Lessor pursuant to this Article 12 for up to thirty (90) days after delivery of such Car to Lessor.

(e) Return of Record. If a party other than Lessor is record keeper, Lessee shall return to Lessor all Record Keeping records including the then current AAR UMLER format for hard copy records. Lessee shall continue to allow (at no burden or expense to Lessee) the Cars to be registered in UMLER until the Cars are remarked.

13. Indemnification. Lessee shall indemnify, defend and hold harmless Lessor, its officers, directors, agents, and employees from and against and does hereby release Lessor from, any and all losses, damages, liabilities, obligations, penalties, fines, suits, costs and expenses, including attorney's fees (collectively "**Claims**"), in any way arising out of or resulting from the use, loss of use, possession, storage, operation, condition, repair, replacement, removal, return or other disposition of Cars while on Lessee's lines or under Lessee's custody or control or would be the Lessee's responsibility as the "handling carrier" under the Interchange Rules and Car Hire Rules if the Cars did not bear Lessee's reporting marks, and from and against any and all Claims for personal injury, disease or death, loss of or damage to property, air, subsurface or ground water pollution, environmental impairment or any other costs of any required or necessary repair, cleanup or detoxification of any land and the preparation and implementation of any closure, remedial or other required plans, and such consequential damages as may be recovered under applicable contract law directly or indirectly arising out of or in any manner connected with or related to the use of the Cars to transport any hazardous or environmentally unsafe material or substance while on Lessee's lines or under Lessee's custody or control or would be the Lessee's responsibility as the "handling carrier" under the Interchange Rules and Car Hire Rules if the Cars did not bear Lessee's reporting marks. The indemnities contained in this Agreement shall survive the expiration or termination of this Agreement.

14. Default

(2) Proceed by any lawful means to enforce performance by Lessee of this Agreement and/or to recover damages for a breach hereof; and/or

(3) By notice in writing to Lessee, terminate Lessee's right to possession and use of some or all of the Cars, whereupon all right and interest of Lessee in such Cars shall terminate. Lessee shall then, at its expense, promptly return such Cars to Lessor at such place as Lessor shall designate and in the condition required as provided in Article 12 (Return of Cars) of this Agreement; or if Lessee does not so promptly return the Cars on demand Lessor may enter upon any premises where the Cars may be located and take possession of such Cars free from any right of Lessee.

(4) Lessee shall pay to Lessor all rental amounts which under the terms of this Agreement may then be due or would have become due for the duration of this Agreement with respect to terminated Cars and any other amounts or damages due hereunder.

15. Right of Inspection

Lessor shall have the right, at any reasonable time to inspect the Cars, by its authorized representative, wherever they may be located, for the purpose of determining compliance by Lessee with its obligations hereunder.

16. Representation, Warranties and Covenants

(a) Lessee represents, warrants and covenants as of the date hereof that:

- (i) Lessee is a limited liability company duly organized, validly existing and in good standing under the laws of the state where it is incorporated. Lessee has the corporate power and authority to and is duly qualified and authorized to: (1) do business wherever necessary to carry out its present business and operations, (2) own or hold under lease its properties, and (3) perform its obligations under this Agreement.
- (ii) The entering into and performance of this Agreement by Lessee has been duly authorized by all necessary corporate authority and will not violate any judgment, order, law or regulation applicable to Lessee or result in any breach of, or constitute a default under, any agreement of Lessee, nor will Lessee's entering into and performance of this Agreement result in the creation of any lien, charge, or security interest in this Agreement pursuant to any instrument to which Lessee is a part of by which it or its assets may be bound.
- (iii) There is no action or proceedings pending or threatened against Lessee before any court, administrative agency or other governmental body

(a) Events of Default. The occurrence of any of the following events shall be an "Event of Default" hereunder:

- (1) The nonpayment by Lessee of any sum required herein to be paid by Lessee when any such payment is due, and such nonpayment shall continue unremedied for a period of ten (10) days;
- (2) The breach by Lessee of any other term, or condition of this Agreement, which is not cured within thirty (30) days after receipt of written notice of such breach;
- (3) The breach by Lessee of any representation or warranty herein;
- (4) The making of an assignment by Lessee for the benefit of creditors or it fails to pay, or is unable to pay, debts generally as they become due.
- (5) The filing by or against Lessee of any petition or the initiation by or against Lessee of any proceeding: (a) for any relief which includes, or might result in, any modification of the obligations of Lessee hereunder; or (b) under any bankruptcy, reorganization, receivership, insolvency, moratorium or other laws relating to the relief of debtors, the readjustment of indebtedness, financial reorganization, arrangements with creditors, composition of or extensions of indebtedness, if in the case of petitions or proceedings filed against Lessee, such petitions or proceedings have not been dismissed within thirty (30) days of filing;
- (6) Any action, event or existence of any condition the effect of which would be to materially impair Lessee's ability to perform its obligations under this Agreement; or
- (7) The (a) insolvency of Lessee or (b) the subjection of any portion of Lessee's property to any levy, seizure, assignment, application sale for or by any creditor or governmental agency the effect of which would be to materially impair Lessee's ability to perform its obligations hereunder.

(b) Lessor Remedies. Upon the occurrence of any Event of Default, without limiting Lessor's rights and remedies otherwise provided by law, at law or in equity, which shall be available to Lessor in addition to the following rights and remedies (no right or remedy of Lessor being exclusive but all such rights and remedies being available at all times to Lessor, and Lessor, in any case, being entitled to recover all costs, expenses and attorneys' fees incurred by Lessor in enforcing its rights and remedies hereunder), Lessor may, at its option:

- (1) Terminate this Agreement and recover damages; and/or

which might result in any material adverse effect on the business, properties and assets, or condition, financial or otherwise, of Lessee such that Lessee's ability to perform its obligations hereunder would be materially and adversely affected.

- (iv) There is no fact which Lessee has not disclosed in writing to Lessor, nor is Lessee a party to any agreement or instrument or subject to any charter or other corporate restriction which, so far as Lessee can now reasonably foresee, would alone or in combination with other factors have a material adverse impact on Lessee's business, condition, property, holdings or the ability of Lessee to perform its obligations under this Agreement.

(b) Lessor represents, warrants and covenants as of the date hereof that:

- (i) Lessor is a corporation duly organized, validly existing and in good standing under the laws of the state where it is incorporated. Lessee has the corporate power and authority to and is duly qualified and authorized to: (1) do business wherever necessary to carry out its present business and operations, (2) own or hold under lease its properties, and (3) perform its obligations under this Agreement.
- (ii) The entering into and performance of this Agreement by Lessor has been duly authorized by all necessary corporate authority and will not violate any judgment, order, law or regulation applicable to Lessor or result in any breach of, or constitute a default under, any agreement of Lessor, nor will Lessor's entering into and performance of this Agreement result in the creation of any lien, charge, or security interest in this Agreement pursuant to any instrument to which Lessor is a part of by which it or its assets may be bound.
- (iii) There is no action or proceedings pending or threatened against Lessor before any court, administrative agency or other governmental body which is reasonably likely to result in any material adverse effect on the business, properties and assets, or condition, financial or otherwise, of Lessor such that Lessor's ability to perform its obligations hereunder would be materially and adversely affected.
- (iv) There is no fact which Lessor has not disclosed in writing to Lessee, nor is Lessor a party to any agreement or instrument or subject to any charter or other corporate restriction which, so far as Lessor can now reasonably foresee, would alone or in combination with other factors have a material adverse impact on the ability of Lessor to perform its obligations under this Agreement.

17. Assignment, Transfers and Encumbrances

(a) No Assignment Without Lessor Consent. Lessee shall not transfer or assign the Cars or its interest and obligations hereunder, nor shall a transfer or assignment by operation of law or otherwise of Lessee's interest in this Agreement be effective against Lessor, without Lessor's prior written consent. No transfer or assignment of this Agreement, or of the Cars, shall relieve Lessee from any of its obligations to Lessor hereunder.

(b) Assignment by Lessor. All rights of Lessor hereunder may be assigned, pledged, mortgaged, transferred or otherwise disposed of, either in whole or in part, and/or Lessor may assign, pledge, mortgage, transfer or otherwise dispose of title to the Cars, with or without notice to Lessee, and in the event of such an assignment, transfer or disposition, Lessor shall be deemed released from all of such assigned or transferred duties, obligations, and liabilities hereunder and Lessor's assignee or transferee shall succeed to such duties, obligations and liabilities without further act effective with such assignment. This Agreement and all rights of Lessee hereunder or those of any person, firm or corporation who claims or who may hereafter claim any rights in this Agreement under or through Lessee, are hereby made subject and subordinate to the terms, covenants and conditions of any chattel mortgage, conditional sale agreement, equipment trust agreement or other agreements or assignments covering the Cars heretofore or hereafter created and entered into by Lessor, its successors or assigns, and to all of the rights of any such chattel mortgagee, assignee, trustee or other holder of legal title to or security interest in the Cars; provided, however, any assignment of the Cars permitted by Lessor in accordance with this Agreement that is entered into by Lessee or its successors or assigns shall contain language which expressly makes such assignment or sublease subject to the subordination contained herein.

18. Notices

All notices required or permitted hereunder shall be in writing and shall be deemed delivered upon actual receipt. Such notice shall be delivered to the respective parties hereto by personal delivery thereof or by telecopier or deposit in the United States mail as certified or registered matter, return receipt requested, postage prepaid, and addressed to the respective parties as set forth below, unless otherwise advised in writing:

If to Lessor:

Bank Austria Creditanstalt Holdings Corporation
2 Greenwich Plaza
Greenwich, CT 06830
Attn: M. Roy Gosse
Fax No: (203) 861-6595

With a copy to:

MRC Rail Services, LLC
One California Street, Suite 1500
San Francisco, California 94111

Attn: Michihiro Nose
Fax No: (415) 765-1108

If to Lessee:

Alabama & Gulf Coast Railway, LLC
224 N. Mt. Pleasant Ave.
P.O. Box 339
Monroeville, AL 36461
Attn: Dan Lovelady
Fax No: _____

19. Miscellaneous

(a) Entire Agreement. This Agreement, together with any and all Schedule and Exhibits attached hereto, constitutes the entire agreement between Lessor and Lessee and it shall not be amended, altered, varied or changed except by written agreement signed by the parties hereto. This Agreement is intended to cover all rights to indemnity between the parties hereto. No waiver of any provision of this Agreement nor consent to any departure by Lessee therefrom shall be effective unless the same shall be in writing signed by both parties, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which it is given.

(b) Additional Documents. Both parties agree to execute the documents contemplated by this transaction and such other documents as may be required in furtherance of any financing agreement entered into by Lessor or its assignees in connection with the acquisition, financing or use of the Cars.

(c) No Warranties. Lessor's obligations with respect to the Cars are expressly limited to those set forth in this Agreement, and LESSOR MAKES NO OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED. LESSOR MAKES NO WARRANTY OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR OTHERWISE, NOR SHALL LESSOR HAVE ANY LIABILITY FOR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR IN CONNECTION WITH ANY CAR.

(d) Governing Law. This Agreement shall be interpreted under and performance shall be governed by the laws of the State of New York.

(e) Severability. If any term or provision of this Agreement or the application thereof shall, to any extent, be invalid or unenforceable, such invalidity or unenforceability shall not affect or render invalid or unenforceable any other provision of this Agreement, and this Agreement shall be valid and enforced to the fullest extent permitted by law.

(f) Headings. The headings that have been used to designate the various Articles hereof are solely for convenience in reading and ease of reference and shall not be construed in any event or manner as interpretative or limiting the interpretation of the same.

(g) Attorney's Fees, Etc. Upon the occurrence of an Event of Default, the defaulting party will pay to or for the account of the non-defaulting party, upon the non-defaulting party's demand, all fees and expenses (including without limitation attorney's fees and expenses) incurred by the non-defaulting party while an Event of Default has occurred and is continuing in connection with this Agreement, including, without limitation, all costs and expenses of the non-defaulting party to investigate and enforce such non-defaulting party's rights under this Agreement.

IN WITNESS WHEREOF, the parties have caused this Lease to be executed by their duly authorized officials.

Lessor: **Bank Austria Creditanstalt Holdings Corporation**

By: Mr. Roy Jones

Title: Vice President

Date: 8/29/00

By: Jeffrey H. Starna

Title: Vice President

Date: 8/29/00

Lessee: **Alabama & Gulf Coast Railway, LLC**

By: Dan Lovelady

Title: General Manager

Date: 8/21/00

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: August 30, 2000



Robert W. Alvord